

To the Members of the California State Assembly:

I am returning Assembly Bill 1527 without my signature.

This bill requires the California Air Resources Board (ARB) to revise the project guidelines for certain existing emission reduction incentive programs to allow the receipt of other state and federal funds to be used for projects without those additional funds being included in the cost-effectiveness calculations that are used to determine ARB funding eligibility.

This bill is unnecessary. ARB already has flexibility in existing law to develop revisions to their funding guidelines, and is currently developing revisions to the Proposition 1B guidelines that will allow selective use of funds from other programs to count as matching funds for eligible projects that achieve both emission reduction and climate change benefits.

Additionally, the current language of the bill would detrimentally relax the cost-effectiveness calculations for ARB's existing emission reduction incentive programs. This results in limited state funds for air quality improvements going towards fewer and potentially more costly projects that do not produce the quantity of air quality improvements we could see under the existing program.

I recognize that the author worked diligently to try to ensure that air quality improvements would not be diminished by the bill. I encourage the author to work with ARB as they undergo their current review of the Proposition 1B and Carl Moyer guidelines and, if additional legislation is needed, introduce a bill in the next session that achieves both ARB and the author's shared goals.

For these reasons, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger